

**Lake County**  
**Affordable Housing Program**

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**2009**

**Program Criteria**

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**It is STRONGLY RECOMMENDED that applicants contact Lake County Community Development staff prior to developing an Affordable Housing Program application to ensure project/program eligibility, consistency and applicability.**

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**Effective Date: October 16, 2009**

# LAKE COUNTY AFFORDABLE HOUSING PROGRAM CRITERIA

The Lake County Board has established a county-wide program and funding procedures to support affordable housing activities in Lake County.

Municipalities, non-profit agencies and for-profit firms within Lake County, and the County itself, can apply for matching funds to support affordable housing activities. County funds may be provided on a prorated spending basis, depending on the approved project activities.

## **Definition of Affordable Housing (based on household income)**

Affordable Housing is hereby defined under these program criteria to be:

Households receiving a benefit under the County's Affordable Housing Program and Criteria must be income eligible at the time of application. Income eligibility shall be based on the household income that is up to 100% of the Chicago Area median income, as determined by the US Department of Housing and Urban Development as of March 2009, shown in the table below:

### **Low/Moderate Income Limits** (as of 3/2009):

<b>Household Size</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Household Income (up to 100% of median)	\$52,833	\$60,333	\$67,833	\$75,333	\$81,500	\$87,500	\$93,500	\$99,500

## **Funding Guidelines**

The maximum funding for Lake County Affordable Housing Funds per project activity is:

- Existing housing activities is \$15,000 (max) per dwelling unit provided.
- New construction activities are \$30,000 (max) per dwelling unit provided.
- First time homebuyer assistance is \$10,000 (max) per dwelling unit provided.

The maximum funding guidelines for this program are inclusive of all hard and soft program costs, including program delivery cost directly related to the requested project.

## **Deadlines**

Initial applications for requested use of the Lake County Affordable Housing Funds **must be received no later than 4:00pm, November 30, 2009** at the Department of Planning, Building, and Development. Thereafter, pending continuation of this program and/or remaining program balances, the deadlines for submission of application materials for Round #2 will be determined at a later date. Any applications submitted after the due date would be considered during the

next funding cycle, subject to continuation of the program by County Board approval during the budget process.

### **General Information**

Payment requests must be submitted within two (2) years of execution of a Program Contract. Any funds not requested by that date will be unencumbered for that specific project, and will be available for other affordable housing activities. Extensions of time may be provided if at least 75% of the approved project activities are completed. Only one time extension can be granted per funded project and shall not exceed six (6) months.

### **Period of Affordability**

The minimum Period of Affordability for homeownership projects shall be 5 years. The period of affordability for homeownership projects shall be enforced through an appropriate security instrument.

The minimum Period of Affordability for rental activities shall be 10 years. The Period of Affordability for rental projects shall be enforced through a restrictive covenant filed with the Lake County Recorder of Deeds. For rental projects, the Period of Affordability shall remain in effect regardless of sale or transfer of the property.

### **Housing Priorities**

Preference shall be given to the following affordable housing activities, as listed in priority order shown below, which:

- propose innovative pilot affordable housing activities that can provide future policy direction,
- locate projects in areas where little or no affordable housing currently exists,
- fill a housing and/or financial gap that is not being provided elsewhere,
- address housing priorities identified in ranked order according to the Lake County 2010 – 2014 Housing and Community Development Consolidated Plan (see below),
- show long-term history, success, and experience in developing affordable housing units,
- result in additional leverage for outside funding sources, and
- propose projects involving federal or state financial assistance commensurate with their stated period of affordability.

### **Lake County 2010 - 2014 Housing & Community Development Consolidated Plan Consortium Housing Goals & Strategies**

As identified in the Lake County 2010 – 2014 Housing and Community Development Consolidated Plan, the appropriate LCAHP-funded Housing Goals and Priorities are as follows:

- New Construction – Medium Priority – Construct 250 Rental/Homeowner Units
- Rehabilitation – High Priority – Rehab 250 Rental/Homeowner Units
- Homebuyer Assistance – Medium Priority – Assist 400 Households

The 2010 – 2014 Consolidated Plan is currently under development. However, within the 2005 - 2009 Consolidated Plan, the following housing program areas were prioritized, in ranked order:

**Consolidated Plan Table 31: AHC Housing Program Priorities**

<b>PRIORITY RANKING</b>	<b>PROGRAM AREA</b> (Generalized descriptions)
1	Increase affordable housing supply for low-income households.
2	Provide rental financial assistance for low-income households.
3	Improve existing housing stock for low-income households.
4	Invest in housing and neighborhood improvements that aid in neighborhood revitalization goals. Provide homeownership financial assistance to low-income households. Provide housing counseling for homebuyer education, homeownership, mortgage default and foreclosure prevention, etc.
5	Promote employer-assisted housing that encourages employees to live within close proximity to their workplace.

The 2010 – 2014 current Consolidated Plan Goals now are:

### **Rehabilitation**

**Five-Year Measurable Goal:** Low and moderate-income households (including seniors, persons with disabilities, and other special needs populations) will benefit from the preservation of Lake County's existing housing stock through the rehabilitation of 250 affordable rental or ownership housing units throughout Lake County.

**Priority:** HIGH – Lake County; HIGH – City of North Chicago; HIGH – City of Waukegan

### **New Construction**

**Five-Year Measurable Goal:** Low and moderate-income households (including seniors, persons with disabilities, and other special needs populations) will benefit from the construction of new Lake County housing stock through 250 affordable rental or ownership housing units throughout Lake County.

**Priority:** MEDIUM – Lake County; MEDIUM – City of North Chicago; MEDIUM – City of Waukegan

### **Homebuyer Assistance**

**Five-Year Measurable Goal:** 400 low and moderate-income households (including seniors, persons with disabilities, and other special needs populations) will purchase and/or maintain ownership of their own Lake County home, utilizing first-time homebuyer assistance along with the provision of pre- and post-purchase education and counseling, including a foreclosure prevention component, that helps to ensure successful and responsible homeownership and long-term housing stability.

**Priority:** MEDIUM – All Lake County

## **Project Activities**

Requests for County funds can be used for one of the following affordable housing activities. County funds should be used for projects that involve mixed use, mixed income, rental or sale of single or multi-family affordable housing created by the:

- innovative pilot affordable housing activities that can provide future policy direction,
- rehabilitation of existing low to moderate income housing units or existing vacant units to meet all applicable building code or loan requirements,
- rehabilitation of existing low to moderate income housing units or existing vacant units that meet less than all applicable building code requirements yet address significant structural elements such as septic system repair/replacement, water well repair/replacement, or electrical rewiring.
- conversion of underutilized properties or non-housing structures for low to moderate income housing units,
- construction of new low to moderate income housing units,
- education and training of construction trade apprenticeships for disadvantaged young adults that results in the actual construction of affordable housing units,
- acquisition of vacant property for land banking purposes resulting in affordable housing,
- collaborative conversion of brownfields property for affordable housing activities,
- development of employer assisted housing (“Live Near Work” concepts), or
- first time homebuyers’ projects (ie: downpayment and closing costs).

## **Application Information**

Two (2) copies of the following information shall be provided with any request for affordable housing funds (Items #1 through #13):

1. Name and address of the municipality/non-profit agency/for profit agency or the County Department requesting funds, including the name, title, and phone number of a contact person.
2. Public/private partners in the project. Identify the experience and success of the members of the development team in affordable housing developments. Include photos and narrative statements regarding past housing projects.
3. Narrative description of the housing development/redevelopment/renovation project including any environmental remediation activities, if applicable. Include project details that would be realized through the completion of the proposed affordable housing project including:
  - the benefit to low and moderate income households,
  - the number and type of housing units proposed,
  - the selection criteria for households/tenants,
  - affordability requirements,

- municipal support letters from the governing body, and
  - identification of any zoning/land use issues that affect the proposed project.
4. A projected timeline for project completion must accompany the project application.
  5. Project location/Map (Street Address/Legal Description/Survey/Aerial Photos).
  6. Extent to which the application for County funds addresses the allowable/appropriate housing priorities of the 2010 - 2014 Consolidated Plan prepared by the Community Development Division of the Department of Planning, Building, and Development.
  7. Anticipated housing development/redevelopment/renovation funding sources and uses. Identify the specific use of the requested County affordable housing funds.
  8. Submission of a project budget, developer pro forma's and a business plan.
  9. Amount of County affordable housing funds requested, with said amount not to exceed the prestated \$15,000/\$30,000/\$10,000 per dwelling unit amounts. Payments from the Lake County Affordable Housing Funds will be made pending acceptance of submitted documentation.
  10. Detail of other local funds to be used as part of project. Documentation regarding the final approval/commitment must be provided prior to the expenditure of County funds.
  11. Detail of state or federal funds to be used as part of the project. Specific details regarding the application, award, and/or commitment of these funds should be identified.
  12. The applicant must identify their compliance procedures regarding occupancy restrictions and terms of affordability. The applicant must identify compliance monitoring activities for the appropriate housing standards and continued income eligibility. Program Contracts and any required security instruments regarding occupancy restrictions will be developed by County staff and will be approved by the Lake County State's Attorney's Office prior to use. To ensure compliance with the affordability and owner-occupancy requirements, such provisions as deed restrictions, liens on real property, or other action shall be required.
  13. Identification of current ownership/site control. If the property is under an option, provide a copy of the option. Post-award changes in project location are subject to Health and Community Services Committee approval. For projects involving rehabilitation of properties to be acquired by the grantee, the acquisition must be

completed before the expenditure of Affordable Housing funds for rehabilitation may occur.

14. In this era of transparency and accountability, LCAHP funded projects should expect that proper and standard procurement procedures are followed that allow for the lowest responsive and responsible bidders to be selected as contracted housing entities within the LCAHP program.
15. Where applicable, project activities must be initiated within 18 months of project approval. Project initiation shall be based on the date a building permit is issued by the appropriate regulatory agency. Mechanics liens or mortgages will be placed on the property to protect the County's interests.
16. The Health and Community Services Committee will direct the review of submitted applications. A brief formal presentation of requests for affordable housing funds, complete with a visual image of the project, must be made to the Health and Community Services Committee. Department staff will also prepare a summary report for Committee member's review.
17. The Health and Community Services Committee will make funding recommendations to the Financial and Administrative Committee and the County Board regarding the award and use of the County affordable housing funds.
18. The Health and Community Services Committee reserves the right to reject any and all requests for funding.
19. Project awards shall be governed by future Contract terms and conditions and the version of the approved Affordable Housing Program Criteria in place at the time of the original application.
20. Requests should be sent to:

Vern A. Witkowski, Deputy Director  
Community Development Division  
DEPARTMENT OF PLANNING, BUILDING, AND DEVELOPMENT  
18 North County Street, 6<sup>th</sup> Floor  
Waukegan, IL 60085

The information currently contained within the affordable housing criteria can be revised and additional affordable housing activities can be added/deleted at the direction of the Health and Community Services Committee.

Questions on the preparation of materials, or any other aspect of this program should be referred to Vern Witkowski, Deputy Director, Community Development Division, at (847) 377-2150, who will forward your call to the appropriate staff person.

(Revision Date October 16, 2009)

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